

AIR POUCH

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## FOREIGN SERVICE DESPATCH

FROM AMEMBASSY, Taipei

TO THE DEPARTMENT OF STATE, WASHINGTON

REF Embtel 671, March 30, 1955

COPY NO. 1

OFFICE OF CHINESE AFFAIRS

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EXCISE

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 Use Only  
 SUBJECT: Morale on Taiwan

## SUMMARY

A survey among 30 Americans in Taipei whose positions, experience and interest make them particularly well-qualified commentators on morale in Free China has indicated that public morale here as of March 1955 is lower than a year ago among those who came to the island from mainland China and that no appreciable change has taken place among those who were born on Taiwan. Conclusion of the American-Chinese Mutual Defense Treaty has materially increased feelings of security among both Taiwanese and mainlanders and has done much to check the fall in mainlanders' morale owing to the Tachen evacuation and other adverse events.

The survey indicated that there would be a serious, but not catastrophic, decline in mainlanders' morale if Matsu and Kinmen were voluntarily given up or lost through military defeat. In either case, along with a rise in Chinese recriminations against the United States China policy, there would be deterioration in American-Chinese working relations harmful to United States military and economic aid programs to Free China. While Chinese civil and military officials would suffer gravely in morale, the native population would be relatively unmoved unless it had been led to believe that the loss of Matsu and Kinmen threatened the security of Taiwan itself.

To minimize fall in morale from the loss of these islands, it was believed, the public should not be given an exaggerated idea of the relationship between Matsu and Kinmen and the defense of Taiwan. Moreover, such positive actions as a show of American sea and air power in this area, increments in American military strength on Taiwan (notably the Air Force), and an increase in United States military and economic assistance to Free China would help counteract the decline in morale. END SUMMARY

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The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

/INTRODUCTION

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## INTRODUCTION

Since the Tachen evacuation, and in connection with possible future developments affecting Matsu and Kinmen, the question of morale in Free China has been much discussed in the American press and presumably also in the United States Government in Washington.

Shortly after the withdrawal from Tachen some articles appeared in American publications suggesting that morale on Taiwan had deteriorated to such an extent as to jeopardize the integrity of the government and armed forces. Little short of general collapse was foreseen. A number of "think-pieces" have been written in recent weeks which have envisaged a complete falling-apart of the Chinese Government and its military establishment if Matsu and Kinmen were evacuated voluntarily or lost through military defeat.

At Ambassador RANKIN's suggestion, the Embassy's Political Section prepared a brief, SECRET questionnaire for circulation to 30 representative Americans in Taipei (all but four of whom are in United States government service) who, by reason of position, experience and interest, would be especially well qualified to give informed opinions on the subject of morale in Free China. The Embassy, FOA/China Mission, MAAG, USIS [redacted] were among the organizations represented. 30 (c)

The survey may not have employed the scientific sampling methods of a Gallup Poll but it is thought, in effect, to have provided a useful if indirect sampling of Chinese opinion -- notably the views of high-level civil and military officials -- as interpreted (perforce a bit subjectively) by the Americans/replied to the questionnaire.

Among those who gave their views were: Ambassador Rankin, Counselor William P. COCHRAN, Jr., Major General William C. CHASE, Major General John C. MACDONALD (Chief, Army Section of MAAG), Mr. Joseph L. BRENT (FOA Director), Mr. William FIPPIN (Commissioner, Joint Commission on Rural Rehabilitation) and Dr. David ROWE, Associate Professor, Yale University, and Mr. Seymour NADLER (USIS Director).

After discussing the returned questionnaires with other Embassy officers (towards getting a balanced, composite evaluation of them) the Reporting Officer proposes to give an objective resume of the various viewpoints expressed. Needless to say, margin for subjective error will necessarily be present in his summarization.

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## SUMMARY OF REPLIES TO QUESTIONNAIRE

1. How would you describe morale on Taiwan as compared with one \_\_\_\_\_/year

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(Classification)

year ago?

2. If you note a change, how do you account for it?

Most people thought that morale had not significantly changed. A number felt that it was lower. A few believed it was higher.

The Tachen evacuation was the reason most often given for a fall in morale.

The conclusion of the American-Chinese Mutual Defense Treaty was the cause most frequently cited for checking the decline in morale attributable to the Tachen withdrawal.

That the United States had not taken a stronger stand against international Communism (as indicated by its position on Indochina, Geneva Conference and the Nationalist-held offshore islands), and that the British are working for a cease-fire in the Formosa Strait, were listed as depressing factors. Developments presaging "two Chinas" and no return to the mainland were mentioned as demoralizing influences.

That Chinese born on the Mainland and those born on Taiwan have reacted differently to events of the past year was made clear.

Of Taiwan's estimated population of 10,000,000, slightly more than 2,000,000 are mainlanders (roughly 1,500,000 are civilian refugees and 650,000 are in the armed forces) and about 8,000,000 are Taiwanese.

The Taiwanese do not yearn for the Mainland, where they have never been, nor do they seek to participate in a counterattack on continental China. What they want most is security and prosperity on their native island. They would, however, be delighted to have the mainlanders return to their former homes.

Consequently, withdrawals or defeats of Chinese Nationalist forces in the offshore islands do not disturb the Taiwanese because they are not concerned about holding advance military positions for the proposed counteroffensive. International developments that may imply American acceptance of the "two Chinas" concept and tacit abandonment of plans to retake the mainland do not distress them. An insular people, the Taiwanese are content to remain where they are.

The mainlanders, as a group, long to go back to their homes across the Formosa Strait; they are disheartened by developments that seem to defer, or to make unlikely, that return. The recent fall of

Yikiangshan,

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(Classification)

Yikiangshan, followed by the evacuation of Tachen and Nanchi islands, and various expressions of a United States desire for a cease-fire depressed them considerably.

Most of the mainlanders -- soldiers and civilians -- have now been on Taiwan for at least five years. Year after year they have heard frequent statements by President CHIANG Kai-shek and other leaders implying (if not openly stating) that "next year" is the year of the counterattack -- and return to the mainland. They have learned to take these "morale-booster" predictions at a sharp discount. The more informed and thoughtful (especially those Chinese officials who have a knowledge of the world and association with Americans) have come to realize that, if Free China ever counterattacks the mainland, it will be as part of much larger United States or United Nations military operations, and not an isolated Chinese Nationalist military adventure. They are aware that when, and if, the counterattack is launched depends on international developments largely beyond the control of Free China.

Under these circumstances most mainlanders are able to face untoward developments with a measure of fortitude. After five years, their expectations are not extravagantly high nor do disappointments shatter their morale. They have the ability "to take it" and, in the words of Edgar GUEST, "to keep on keepin' on".

After five years, by no means all the mainlanders here are poised for the mainland return. Many of them have married Taiwanese, raised children and established themselves on Taiwan. This is a beautiful and fertile island, and compares very favorably, at least in material aspects, with continental China. It should not be thought that the Chinese, a philosophical, sturdy and ingenious people, are living on Taiwan in conditions of misery and homesickness which can only be relieved by returning to their mainland homes.

Second Secretary Richard T. EWING, whose replies to the questionnaire are given in full in Enclosure No. 1, made these comments on the differing reactions of mainlanders and Taiwanese:

"1. No one seriously contends that the great majority of the Formosans, who comprise 7/9ths of the population (although they do not make up the politically articulate or controlling group) desire to be involved in recapturing the Mainland, or that their main interest goes beyond the security of Formosa.

"2. The reaction of the majority of the mainlanders is more controversial and less easy to estimate with any accuracy. However, I believe that their first concern is the security of their position on Formosa and only second in returning to the Mainland. While it would undoubtedly be a blow to them to have to relinquish all hope

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of ever returning to the Mainland, I do not feel that as a whole they are anxious to force the issue to an immediate conclusion without a hard-headed calculation of the risks and danger to them involved in such action. I feel that they are capable of accommodating themselves to the actualities of a situation and relegate their hopes for a return to the Mainland to a relatively distant future without involving a serious psychological collapse.

"3. This leaves a third and relatively small group of Mainland military and civil officials who feel that if this Government is to retake the Mainland at all, it must do so soon. For them the islands represent the last symbol of hope for the fulfillment of their desire in the immediate future. (This is not necessarily ascribing Machiavellian motives, since many in this group sincerely believe that the only hope for America and the Free World lies in the recovery of the Chinese Mainland from the Communists.) Destruction of that symbol would mean a definite blow to the morale of this group."

3. What would be the effect on morale of a withdrawal from Kinmen and Matsu under circumstances similar to those of the Tachen evacuation?

With respect to Mainlanders, such a withdrawal would lead to a serious fall in morale, markedly greater than that resulting from the Tachen evacuation. For them it would be one further evidence of the United States' desire for co-existence with the Communist nations, and another hard blow to their hopes for the Mainland's reconquest.

The Taiwanese, as previously explained, would be essentially unaffected, as they were in the case of the abandonment of Tachen.

4. What would be the effect upon morale of the loss of Matsu and Kinmen as the result of a military defeat in which the United States was not directly involved?

American military officers who replied to the questionnaire felt that a Chinese Nationalist military defeat on Matsu and Kinmen would result in a grave fall in morale but that the decline would be less severe under those circumstances than if the islands were voluntarily evacuated. One stated in his reply to this question:

"The loss of Matsu and Chin-men (Kinmen) as a result of military action without U.S. help would be bitter but preferable to evacuation without a fight. The morale of no military force or government is raised by constant retreat before the enemy, particularly without a fight when they are capable of inflicting considerable damage on the enemy."

American military observers declared that if the Chinese  
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S E C R E T

(Classification)

Nationalist forces fought and lost at Matsu and Kinmen -- without direct help from United States forces -- American-Chinese relations would deteriorate greatly and the effectiveness of MAAG might be jeopardized.

Some civilians also felt that morale would fall less sharply if the Chinese Nationalists fought unsuccessfully for Matsu and Kinmen. Others believed that a military defeat, which United States forces did not directly intervene to prevent, would lower morale more than a voluntary evacuation because of recriminations about American fickleness, "betrayal", et cetera, and would result in worsening of American-Chinese relations.

5. What is the principal basis for the importance of Kinmen and Matsu in terms of morale on Taiwan?

United States military officers said that, in terms of morale, Kinmen and Matsu, were important militarily for counterattacking the Mainland and psychologically for the defense of Taiwan. One officer stated:

"Kinmen and Matsu in terms of morale on Taiwan may be considered militarily more important for the counterattack of the Mainland but psychologically equally important for the defense of Taiwan and for counterattack on the Mainland."

A civil official with considerable association with Chinese said:

"My opinion is that the principal basis is psychological for counterattack of mainland. They represent some tangible basis for hope of ultimate return and recovery of China. I rarely ever hear reference to Kinmen and Matsu in regard to defense of Taiwan -- only as an advance springboard for return to the Mainland."

The consensus appears to be that Matsu and Kinmen are not supremely important to the actual defense of Taiwan, that they have some importance for an invasion of the Mainland, and that their chief significance, in terms of morale, is that they represent, for the mainlanders, a tie to continental China and an earnest that there will one day be a counterattack. Moreover, they are a device for testing United States determination vis-a-vis Chinese Communist aggression, and for keeping the United States involved in the future of the China Mainland. This latter development has long been, and is especially now, important in Chinese Nationalist thinking.

6. Would a fall in morale owing to the loss of Kinmen and Matsu be inevitable, etc?

A fall in morale would be virtually inevitable, according to \_\_\_\_\_

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(Classification)

to almost all observers. However, various steps could be taken to check its drop. One step would be to prevent Matsuo and Kinmen being built up in the minds of the people through official statements and press articles to the proportions of another Dienbienphu. The more exaggerated the idea the public is given of the islands' military relationship to the defense of Taiwan, the greater will be the fall in morale if they are lost.

Towards offsetting a loss in morale, one person suggested:

"Careful preparation of residents on Taiwan, through indigenous newspapers and other media, for the loss of the islands, from the moment it becomes apparent that the loss is to occur. To effect such action would, of course, require some top-level persuasion. If previous techniques are followed and announcement of such loss is made suddenly after dissemination, over a long period, of information to the contrary, the government would -- since these are the last of the offshore islands -- face a complete loss of faith and trust on the part of the people."

Certain positive or diversionary actions could be taken by the United States to offset loss of morale. Among those mentioned by various persons were: (1) strong reiteration of United States policy towards Free China, backed up by a show of force at sea and in the air which the people of Taiwan could see; (2) strengthening of American military forces on Taiwan, notably the air force; (3) increases in military and economic assistance, and (4) statement of United States support for Chinese aspirations to counterattack the mainland.

One military officer made this reply:

"To help offset the loss of morale, which would be brought about more because of the inaction of the United States rather than by the loss of the islands themselves, the U.S. could increase military and economic aid, increase the visible signs of the strength of the U.S. fleet which patrols the Formosa Straits, extend to the Chinese a firm hope of returning to the mainland and firmly repudiating the principle of two Chinas."

\* \* \* \* \*

The questionnaires were circulated with the explicit undertaking that "in no case will any one's name be used in connection with his statements." However, as Counselor William P. Cochran, Jr. has agreed that his answers may be attributed to him, his statement is transmitted because it deals, in some detail, with the questions asked and raises some new issues (Enclosure No. 2). With his consent, Second Secretary Ewing's statement is transmitted

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Enclosure No. 1)

S E C R E T

Page 8 of  
Desp. No. 470  
From Taipei

SECRET

(Classification)

Page \_\_\_\_\_ of  
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(Enclosure No. 1) because it also deals rather fully with the questions posed and because it presents a somewhat different evaluation than that of Counselor Cochran.

ACTION REQUESTED:

Department please send copies of despatch to Hong Kong; Djakarta, Tokyo, Seoul, Bangkok, Manila, Rangoon, New Delhi, Moscow and London.

K. L. Rankin

Enclosures:

1. Richard T. Ewing's reply to Questionnaire
2. William P. Cochran, Jr.'s reply to Questionnaire

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REPLY TO QUESTIONNAIRE ON MORALE IN TAIWAN  
by Richard T. Ewing

1. How would you describe morale today on Taiwan as compared with one year ago?

No significant change.

2. If you note a change, how do you account for it?

a. Somewhat lower among military because of evacuation of Tachen and Nanchi.

b. Somewhat higher among Taiwanese and perhaps mainland civilians as a result of Mutual Defense Treaty with United States.

3. What would be the effect on morale of a withdrawal from Kinmen and Matsu under circumstances similar to those of the Tachen evacuation?

a. For the military and those civilian officials who still base their faith upon an early return to the mainland it would probably result in a significant drop in morale. These islands, relatively unimportant militarily, have attained a psychological importance as the last pieces of territory attached to the Mainland which the Chinese Nationalists control. Withdrawal from them would increase greatly the chances for some sort of de facto arrangement of "two Chinas" and correspondingly decrease the chance of the United States clashing with the Chinese Communists -- which this group recognize as their only hope for a return to the Mainland in the immediate future.

b. For the great majority of the Mainland civilians, there would probably be some drop in morale, but I do not believe that it would be very significant or necessarily any greater than that accompanying the withdrawal from Tachen -- unless they had received from the press a distorted account as to the military significance of Kinmen and Matsu for the defense of Formosa. I believe that most of this group have made a fairly realistic appraisal of the chances of returning to the Mainland in the near future and realize what the outbreak of a fullscale war would mean for them on Formosa. They also realize that if they had wished to die fighting the Communists they could have done so eight years ago on the Mainland.

c. The Taiwanese would probably not be affected significantly by withdrawal from the islands unless it raised some

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S E C R E T  
(Classification)

question in their minds as to the reliability of the United States determination to defend Formosa itself. Some groups might welcome the move as bringing them nearer their goal of complete separation from the Mainland.

d. I do not believe that the expected drop in morale in any group could be termed disastrous. While withdrawal might cause some Mainland military and civilian officials to reconsider their own personal position vis-a-vis the Chinese Communists I do not believe that this would affect those in control of the Government or very large groups of Mainlanders. For them the hope still would exist, as it did when they retreated to Formosa, that the outbreak of a general war -- which they believe must come eventually -- would provide an opportunity to return to the Mainland.

4. What would be the effect upon morale of the loss of Matsu and Kinmen as the result of a military defeat in which the United States was not directly involved?

a. This would depend finally upon the manner in which the Chinese forces acquitted themselves and how effective a defense they were able to put up. However, I believe that the loss of the islands as the result of military conquest would have a more serious effect upon morale than if they were given up prior to application of military pressure or as in the case of the Tachens -- where blame could be attached to American policy rather than military defeat. The loss would be there in any case with such consequences as it might bring.

5. What is the principal basis for the importance of Kinmen and Matsu in terms of morale on Taiwan (i.e., military for defense of Taiwan, military for counterattack of mainland, psychological for defense of Taiwan, psychological for counterattack of mainland, et cetera)?

a. Psychological involving the hope for return to the Mainland.

6. Would a fall in morale owing to the loss of Kinmen and Matsu be inevitable, or is there some action which could be taken to offset to some extent the expected fall in morale?

a. A drop in morale would be inevitable. It could be partially offset, however, by continued evidence of American intention to defend Formosa and the Pescadores together with statements of support of the United States' position and possible assistance in the defense of Formosa by our European and Southeast Asian allies.

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I would like finally to summarize my opinion with regard to the question of morale and the return to the Mainland, with which I feel the questions of the islands is inextricably tied:

1. No one seriously contends that the great majority of the Formosans, who comprise 7/9ths of the population (although they do not make up the politically articulate or controlling group) desire to be involved in recapturing the Mainland, or that their main interest goes beyond the security of Formosa.
2. The reaction of the majority of the mainlanders is more controversial and less easy to estimate with any accuracy. However, I believe that their first concern is the security of their position on Formosa and only second in returning to the Mainland. While it would undoubtedly be a blow to them to have to relinquish all hope of ever returning to the Mainland, I do not feel that as a whole they are anxious to force the issue to an immediate conclusion without a hardheaded calculation of the risks and danger to them involved in such action. I feel that they are capable of accommodating themselves to the actualities of a situation and relegate their hopes for a return to the Mainland to a relatively distant future without involving a serious psychological collapse.
3. This leaves a third and relatively small group of mainland military and civil officials who feel that if this Government is to retake the Mainland at all, it must do so soon. For them the islands represent almost the last symbol of hope for the fulfillment of their desire in the immediate future. (This is not necessarily ascribing Machiavellian motives since many in this group sincerely believe that the only hope for America and the Free World lies in the recovery of the Chinese Mainland from the Communists.) Destruction of the symbol would mean a definite blow to the morale of this group.
4. There is one other question -- that of defections if the hope for a return to the mainland is substantially weakened. This would undoubtedly increase the attraction for many of reaching some sort of personal adjustment in their relations with the Chinese Communists. For those who are firm in their determination, however, there will still exist the possibility of the outbreak of a general war to carry them back to the mainland. I feel that while there would be instances of persons going over to the Communists, these would be individual and spread over a period of time with the gradual increase in their discouragement over their prospects on Formosa rather than any sudden general subversion that would necessarily threaten the security of the island.

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A few random statements made to me in the last few months by

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individual Chinese are given below. They are completely unsolicited. They are not intended to be taken as a general survey or completely representative, but have some validity in forming an impression.

1. Middle-aged Banking Official whose father was a prominent member of the Kuomintang and who has close personal relationship with leading civilians in the government.

Speaking of the possibility of building a modern two-story hotel in the center of Taipei as a paying proposition, he said:

"Who knows, we may not go back to the mainland for ten or twenty years -- or I may die here." If there was some tinge of regret, the remark was nevertheless made with seeming equanimity.

2. Wife of retired general officer of Chinese Army who held important post on mainland.

Speaking of withdrawal from Tachen, she said: "My husband is very discouraged. Now, he thinks we may never get back to the Mainland. Our only hope is for the future of our girl. Perhaps she can go to America to study and after 10 years or so go back to the Mainland and help rebuild her country."

3. Young man from Peiping:

"The Formosans don't care anything about going back to the mainland. When you count how many of us (Mainlanders) are on Formosa and compare them with the number of people in the rest of the world or even in China, what right does so small a number as we are have to insist that we get back the Mainland at the expense of bringing war to all those others."

4. Chinese in his 30's who recently came from Hong Kong:

Speaking in a joking vein of a friend of his who just came here from Hong Kong, he said:

"My friend recently said that he now thinks he will go out and get himself a wife among the Formosans. I asked why. He answered that he came here with the idea of joining the army and fighting back to the Mainland. But now it does not seem that we are going anywhere so I might as well marry and settle down here to raise a family."

5. A Chinese with relations with Formosan businessmen and minor parties:

"The Formosans are now hoping that either the United States or the United Nations will take over Formosa as a trusteeship for a /while.

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(Classification)

while. Then they will be given a chance to express their true opinions as to the Government they want. They cannot do so so long as the Nationalist Government remains in control."

Conclusion:

If there is any conclusion to be drawn from the above, it seems to me that it is that we should base our decision whether or not to defend Quemoy and Matsu on our calculation as to the probable effect of this action upon the Chinese Communists on the one hand and upon our Western European allies and Southeast Asian opinion on the other rather than any question of its effect upon morale on Formosa.

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S E C R E T

(Classification)

REPLY TO QUESTIONNAIRE ON MORALE IN TAIWAN

by William P. Cochran, Jr.

I feel the situation is a little more complicated than would be demonstrated by limiting my replies strictly to the questions asked. However, here goes:

1. How would you describe morale today on Taiwan as compared with one year ago?

I was not here a year ago, so cannot bear witness to the state of morale at that time. However, (and most of my comments I fear will be based on subjective judgment more than objective information from Chinese) I believe morale here is on a sounder basis than it was when I arrived some ten months ago. We should not overlook the fundamental anchor which is provided by the Mutual Defense Treaty. Previously, our policy as regards supporting the Chiang government or Formosa was subject to change at any time. All literate Chinese realized this fact, and lived in uncertainty. The very existence of the defense pact is a tremendous stabilizing factor. Day to day emotions may be mercurial under the stress of political developments, but the existence of the treaty is by far the greatest single factor.

2. If you note a change, how do you account for it?

At the same time there has been a definite slacking off, in the past year, in pronouncements as to the prospects of immediate return to the mainland. This seems sound and realistic.

On the other hand, it was unquestionably a blow to morale, as well as to the face of the government and its standing abroad, to have to evacuate first the Tachens and second, Nanchi.

3. What would be the effect on morale of withdrawal from Kinmen and Matsu under circumstances similar to those of the Tachen evacuation?

I think a withdrawal from Kinmen and Matsu would have a most unfortunate effect, if by the withdrawal is meant an evacuation other than as the result of force. I think it would be important in itself, as further evidence of appeasement of the Red Chinese, and that it would undermine public confidence in an eventual return to the mainland, because it would be read as a precursor of adherence to the policy proposed by the British: two Chinas with a ceasefire in between.

If Kinmen or the Matsus were lost after severe fighting, the results would not be so dire (in my opinion). It would show that

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S E C R E T  
(Classification)

the Chinese would fight. It would certainly not help the morale of the Chinese Armed Forces to lose a battle for either island; but I do not believe it would damage it as seriously as a surrender of the islands without a fight, for political reasons.

Another alternative to be considered here is: Are we going to help them, if they fight for the offshore islands? If we do so, then once our reputation and prestige are committed, we must not fail to retain the islands and to defeat the enemy decisively.

Other complicating factors arise such as: While we may not commit ourselves to helping the Chinese defend the offshore islands they now hold, suppose they decide to fight for them, even without our direct support? Their planes will undoubtedly attempt to give air cover. The Red Chinese will presumably retaliate against air fields on Taiwan. Will the Seventh Fleet protect Taiwan against such attacks, thereby providing a privileged sanctuary in reverse for the Chinese Air Force?

Another question to be considered on our side is, where do we stand vis-a-vis the Chinese on Taiwan, and the peoples of the rest of Asia, if we leave Chiang to battle for the offshore islands alone?

4. What would be the effect upon morale of the loss of Matsu and Kinmen as the result of a military defeat in which the United States was not directly involved?

I do not believe that the effect upon morale of the loss of Matsu and Kinmen as the result of a military defeat in which the United States is not directly involved would be too serious. Such a development would presumably demonstrate clearly to the world who the aggressor was. (Sometimes I wonder why this has to be re-established, every year.) On the other hand, the British would not accept such an assessment, having already declared that Red China has a perfect right to seize these islands by force.

5. What is the principal basis for the importance of Kinmen and Matsu in terms of morale on Taiwan (i.e., military for defense of Taiwan, military for counterattack of mainland, psychological for defense of Taiwan, psychological for counterattack of mainland, et cetera)?

I think the principal basis for the importance of the offshore islands to morale on Taiwan is psychological. Their loss would presage adoption of the two-China theory and abandonment of the goal of return to the mainland. I am not able to assess their military importance to the defense of Taiwan. They would certainly be of considerable value should there be a return to the mainland /military

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S E C R E T

(Classification)

military campaign. They are also important economically, contributing so effectively to the interruption of Red China's coastwise trade. But it links them primarily to the psychological factor of hope of return to the mainland.

6. Would a fall in morale owing to the loss of Kinmen and Matsu be inevitable, or is there some action which could be taken to offset to some extent the expected fall in morale?

The only action which I see which could be taken to avoid a serious decay of morale over the loss of Kinmen and Matsu is to have the Chinese fight for them, assuming that we are not going to assist them in doing so. If we do assist them, we must envisage that the situation may well develop into large scale fighting on more than one front (Korea), eventual resort to strategic bombing, and possibly a return of Chiang's troops, with our assistance, to the mainland of South China.

It is consequently my opinion that if the islands are to be lost, it must be as a result of fighting and not of negotiation. Otherwise, the results to Chinese morale on Taiwan would be most serious. The result would not be the end of the world, but certainly there could be little basis for high morale and hope of any kind in Formosa as a separate political entity -- whether Chinese or Formosan -- under the aegis of the UN and the protection of the United States. Like certain of our other recent creations, it would not be viable, either economically, politically or militarily, without our assistance in all three fields.

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